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13 May 1952

MEMORANDUM

SUBJECT: Comment on the 9 May draft for NIE-66

I. General.

The first point to be made, I think, is that we are engaged in drafting, not a Staff Memorandum like No. 223 or even an SE, but our first NIE on a key country of an important region hitherto neglected in that Series. A Memorandum or an SE could be limited to a declarative statement of the immediate situation and prospects. An NIE, particularly so in this case, must present an adequate explanation of how the situation got to be what it is, as a basis for estimating both its present nature and its prospective development.

The present draft is declarative rather than explanatory. It describes the current situation and gives some contingent predictions, but it does little enable the uninformed reader to understand the forces in operation. Considered in relation to the standard indicated above, the terms of reference, and the State contribution it seems oversimplified and superficial.

State has submitted an excellent contribution, except for its length (41 pages). State professes to believe that an adequate explanation cannot be presented in less space, which is certainly a challenge to us. Manifestly we cannot write at such length. My impression is, however, that we have reduced the bulk of State's coverage by deletion rather than by true condensation, with consequent loss of its explanatory quality. The State contribution can in fact be condensed without this loss.

II. "Background of the Present Situation"

The subject draft interprets "the present situation" to be the current internal crisis in Argentina and presents as "background" an essentially static description of the existing political situation in that country. Despite occasional references to 1943, 1946, and 1951, it does not adequately explain the development of that situation. It makes no reference at all to conditions before 1943. State, however, has gone to considerable length to show that 1930, rather than 1943, is the true breaking point in recent Argentine history. In any case, developments since 1943 have been in large part a reaction to conditions which existed before that date, which therefore cannot be ignored in explaining the present situation.

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This lack of a true background section as a point of reference for the discussion of both internal and external affairs is felt throughout the remainder of the paper. It cannot be remedied by tacking a perfunctory historical paragraph onto the front of the present "Background" section. What is needed is a true background section of four or five paragraphs setting forth those elements in the background which have important bearing on the current situation, with the present section revamped as an analysis of the existing internal situation, economic as well as political, up to but not including the current acute crisis.

III. "Present Argentine Foreign Policy and Orientation".

This section needs, as a point of departure, some exposition of the traditional, or normal, Argentine attitude toward the United States and aspiration for leadership in Latin America. I believe, however, that this would be better given in the proposed background section, since it has bearing on Argentine susceptibility to Fascist tendencies in internal politics during the 1930 - 1945 period. This interplay of external and internal factors is the chief reason why there should be a separate background section rather than background paragraphs scattered through the existing organization of the paper.

This same interplay of internal and external factors should be brought out in explaining the "Third Position", which is not simple isolationism (withdrawal from alignment with either the US or the USSR) but has positive connotations related to the supposedly peculiar internal regime in Argentina ("justicialism").

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It seems to me that the paragraphs of this section should run as follows:

(1) The "Third Position" and its bearing on the attitude of Argentina toward the US and the USSR in the East-West struggle.

(2) Argentina's efforts to assert leadership in Latin America by bringing other countries to adopt the "Third Position", with particular reference to the general activities of Argentine labor attaches and Argentine efforts to form a bloc to hold up the prices of strategic materials desired by the US.

(3) The Peronist-MNR relationship. Incidentally, the diffident language of the present text on this subject seems unnecessary. Even without evidence of a contractual or feudal relationship, the parallelism between Peronism and the MNR is observable and affords a basis for comment on the probable nature of their relationship.

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(4) Argentine influence in or pressure on other countries, particularly Chile, Paraguay, and Uruguay.

IV. "Major Factors in the Present Crisis"

Para. 19 includes matters which are not proximate causes of the present crisis but are part of the basic economic circumstances in which the crisis occurs. They should be covered elsewhere (in an analysis of the general situation which Peronism has produced in Argentina) and this section should be limited to the acute aspects of the crisis.

V. "Probable Internal Developments"

Inasmuch as we can present only contingent possibilities, without being able to estimate any as probable to occur, ought not the heading to be "Possible" instead of "Probable"?

The many variables in the situation make this section very hard to draft. I realize that we have greatly reduced the number of combinations which State presented. Even so, there is still general complaint that we present too many variations on the theme. How about a further consolidation, as below:

- (1) Effect of a good or bad crop.
- (2) Effect of survival or death of Evita.
- (3) Circumstances in which the regime might fall.
- (4) Possible alternative regimes and the consequences in each case.

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